

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**David Martin**  
Cabinet Secretary

**Tony Delfin**  
Deputy Cabinet Secretary

**David R. Catanach, Division Director**  
Oil Conservation Division



Certified Mail: 7012 0470 0001 5967 3697

March 1, 2016

Mr. Joel Stockford  
Murchison Oil & Gas  
Legacy Tower One  
7250 Dallas Parkway Suite 1400  
Plano TX 75024

**RE: Denial of a variance request for War Horse Fed Com 2H and War Horse Fed Com 4H**

**Operator: Murchison Oil & Gas, Inc.**

**OGRID: 15363**

**Facility or Well Name: War Horse Fed Com 2H**

**Location: Unit H, Section 21, Township 18 South, Range 29 East, NMPM  
Eddy County, New Mexico**

**Facility or Well Name: War Horse Fed Com 4H**

**Location: Unit I, Section 21, Township 18 South, Range 29 East, NMPM  
Eddy County, New Mexico**

Dear Mr. Stockford,

The Oil Conservation Division (OCD) District 2 Office has reviewed Murchison Oil & Gas, Inc.'s (Murchison) request, dated January 22, 2016, and submitted to OCD by your agent, R. T. Hicks Consultants Ltd. The submittal requests a variance to 19.15.17.11 F (2) [NMAC], which requires the side slopes of a drilling pit to be no steeper than two horizontal feet to one vertical foot (2H:1V). The variance request proposes to construct the entire pit for each of the two wells listed, utilizing a side slope of 1.5H:1V.

OCD does not agree that the proposed 1.5H:1V slope provides equal or better protection of Fresh Water, Public Health and the Environment, with the exception being the suction side of the fresh water portion of the drilling pits. Solids being discharged into the pits will place additional stress/weight on the liner and liner seams at the proposed steeper slope. OCD will approve the slope modification to 1.5H:1V for the suction side of the fresh water portion of the pits only, as was proposed in the original pit permits. At this time, your January 22, 2016 variance request is denied.

**You have 10 days from receipt of this notice to request a hearing on the denial of your variance request.** See 19.15.17.16 [NMAC] Please contact Florene Davidson at (505) 476-3458 within 10 days of receipt of this notice if you want to request a hearing on this denial.



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If you have any questions regarding this matter, please do not hesitate to contact district staff members, Mike Bratcher (575) 748-1283 Ext 108 [mike.bratcher@state.nm.us](mailto:mike.bratcher@state.nm.us) or Heather Patterson (575) 748-1283 Ext 101 [heather.patterson@state.nm.us](mailto:heather.patterson@state.nm.us)

Sincerely,



Randy Dade  
OCD District 2 Supervisor  
[randy.dade@state.nm.us](mailto:randy.dade@state.nm.us)

Cc: Daniel Sanchez, Compliance & Enforcement Manager, OCD Santa Fe  
Jim Griswold, Environmental Bureau Chief, OCD Santa Fe  
Randy Dade, District Supervisor, OCD District 2, Artesia  
Mike Bratcher, Environmental Specialist, OCD District 2, Artesia  
Heather Patterson, Environmental Specialist, OCD District 2, Artesia  
R.T Hicks Consultants, Ltd.